

**Agreement Regarding PacifiCorp's Post-Test Year Mechanism
Amendment to Settlement in A.05-11-022
February 9, 2009**

This agreement between PacifiCorp (d/b/a Pacific Power) (the "Company") and the California Public Utilities Commission's Division of Ratepayer Advocates ("DRA") (collectively, the "Parties") outlines the agreement between the Parties with respect to the following details for continuation of the Company's Post-Test Year Adjustment Mechanism ("PTAM") relating to the annual attrition factor adjustment.

By signing this agreement, the Parties agree to the following:

A. The Company may file for an attrition factor rate increase for rates effective January 1, 2010:

- 1) The attrition factor shall be the greater of the September 2009 Global Insight "U.S. Economic Outlook" forecast of CPI for 2010 with an off-setting productivity factor of 0.5%, or zero.
- 2) Consistent with the current PTAM attrition mechanism, a 2010 PTAM attrition filing will be made by October 15, 2009 as a tier 2 advice letter filing.
- 3) Any rate change related to the PTAM shall be implemented by applying the overall PTAM percentage change as a uniform percentage change to all rate elements which were adjusted in PacifiCorp's 2005 general rate case, excluding Schedules S-99, S-100, S-191 and ECAC-94.

B. With the extension of the PTAM attrition mechanism and continuation of both the PTAM for Major Capital Additions and the Energy Cost Adjustment Clause adopted in Commission Decision 06-12-011, the Company will not file a general rate case on a three-year rate case cycle for rates effective January 1, 2010. The Company's next general rate case will be for rates effective January 1, 2011.

The Parties believe that this agreement is reasonable in light of the record in the underlying proceeding, consistent with the law, and in the public interest. DRA agrees not to oppose PacifiCorp's application or other necessary actions to effectuate this agreement.

PacifiCorp

Division of Ratepayer Advocates

By: _____

Name: _____

Title: _____

By:  _____

Name: DANA S APPLEBY

Title: DIRECTOR

**Agreement Regarding PacifiCorp's Post-Test Year Mechanism
Amendment to Settlement in A.05-11-022
February 9, 2009**

This agreement between PacifiCorp (d/b/a Pacific Power) (the "Company") and the California Public Utilities Commission's Division of Ratepayer Advocates ("DRA") (collectively, the "Parties") outlines the agreement between the Parties with respect to the following details for continuation of the Company's Post-Test Year Adjustment Mechanism ("PTAM") relating to the annual attrition factor adjustment.

By signing this agreement, the Parties agree to the following:

A. The Company may file for an attrition factor rate increase for rates effective January 1, 2010:

- 1) The attrition factor shall be the greater of the September 2009 Global Insight "U.S. Economic Outlook" forecast of CPI for 2010 with an off-setting productivity factor of 0.5%, or zero.
- 2) Consistent with the current PTAM attrition mechanism, a 2010 PTAM attrition filing will be made by October 15, 2009 as a tier 2 advice letter filing.
- 3) Any rate change related to the PTAM shall be implemented by applying the overall PTAM percentage change as a uniform percentage change to all rate elements which were adjusted in PacifiCorp's 2005 general rate case, excluding Schedules S-99, S-100, S-191 and ECAC-94.

B. With the extension of the PTAM attrition mechanism and continuation of both the PTAM for Major Capital Additions and the Energy Cost Adjustment Clause adopted in Commission Decision 06-12-011, the Company will not file a general rate case on a three-year rate case cycle for rates effective January 1, 2010. The Company's next general rate case will be for rates effective January 1, 2011.

The Parties believe that this agreement is reasonable in light of the record in the underlying proceeding, consistent with the law, and in the public interest. DRA agrees not to oppose PacifiCorp's application or other necessary actions to effectuate this agreement.

PacifiCorp

Division of Ratepayer Advocates

By: Andrea Kelly

By: _____

Name: Andrea Kelly

Name: _____

Title: Vice President – Regulatory Affairs

Title: _____